

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

09 MAR 2004

LEASE No GS-09-B-01516

01915 PZ

THIS LEASE, made and entered into this date between: 611 WEST SIXTH STREET ASSOCIATES, LLC. A CALIFORNIA LIMITED LIABILITY COMPANY AND CH REALTY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

whose address is: C/O THE METCOM MANAGEMENT, LLC, 611 WEST SIXTH STREET, SUITE 100, LOS ANGELES, CALIFORNIA 90017

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

"1. The Lessor hereby leases to the Government the following described premises:

A total of 22,093 rentable square feet, yielding a maximum of 19,239 BOMA usable square feet (u.s.f) of office and related space of which 16,089 rentable square feet (14,139 usable square feet), (common area factor of 1.1379) is located on the 7th floor Suite 700, (full floor) and 6,004 rentable square feet (5,100 usable square feet), (common area factor of 1.1773) is located on the 6th floor, Suite 650, (partial floor), as depicted on the attached floor plans marked (Exhibit "A" and Exhibit "B"), together with seven (7) reserved parking spaces in the upper parking structure and fifty-five (55) reserved parking spaces located in the lower parking structure, G4 or G5, to be used for such purposes as may be determined by the General Services Administration."

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on XXXX through XXXX subject to termination and renewal rights as may be hereinafter set forth."

PARAGRAPH 2 IS DELETED IN ITS ENTIRETY AND REPLACED WITH PARAGRAPH 9 ON ATTACHED ON SHEET NO.1.

"3. The Government shall pay the Lessor annual rent of \$563,371.50 at the rate of \$46,947.63 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:
611 West Sixth Street Associates, LLC., a California Limited Liability Company and C.H.Realty, LLC, a California Liability Company, c/o Metcom Management, LLC., 611 West Sixth Street, Suite 100, Los Angeles, Ca. 90017

"4. The Government may terminate this lease in whole or in part at any time after the initial ten (10) years by giving thirty days (30) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing."

"5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals: Provided notice be given in writing to the Lessor at least XXXX days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing."

PARAGRAPH 5 IS DELETED IN ITS ENTIRETY

"6. The Lessor shall furnish to the Government as part of the rental consideration, the following:

- A. All labor, materials, equipment, design, professional fees, permit fees inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with the design, construction and installation of the Government's tenant improvements (including, without limitations other constructed items) identified anywhere in this Lease or otherwise agreed to by the parties in connection with the Government approved layout drawings and related documents, with the sole exception that the Government will pay to the extent specifically identified herein as payable by the Government. Unit costs adjustments shall be made in accordance with Paragraph 13 of the

- A. (continued) attached sheets if the delivered quantities of items listed differ from the quantities specified in this lease.
- B. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements and all labor and materials associated therewith which are provided for elsewhere in this Lease including, without limitation, janitorial services that will be performed after during business hours.
- C. In the event the Lessor fails to complete these items within the time provided, the Government shall, without Limitation, have the right to exercise the remedies provided in Paragraph 15 of GSA Form 3517.
- D. The amount of build out as actually required will be determined by the layout provided by the Government, No deviations from this layout will be allowed except for those changes approved by the Contracting Officer."
- E. Handicapped and Seismic Retrofit: All construction of the premises shall comply with the handicapped accessibility Provisions of the Uniform Federal Accessibility Standards (UFAS) and the American Disability Act of 1990 (ADA)."
- F. The Lessor shall have 150 days from the receipt of Government approved layout drawings to build out said space and make it ready for occupancy. Lessor shall furnish the following as part of rental consideration: Space planning and architectural services in order to make the space ready for occupancy in accordance with the requirements of the lease.

"7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Government and Lessor as set forth in SFO No.3CA0602, (45 pages); SSA Special Space Requirements (29 pages); GSA Form 3517 (26 pages); GSA Form 3518 (4 pages); Solicitaion For Offers (SFO) No. 3CA0602 Amendment No. 1 dated August 18, 2003, Sheets No. 1through 3 containing Paragraphs 9 through 20 attached hereto and forming a part of Lease Number GS-09B-01516; Floor Plan (Exhibit "A)", and Floor Plan (Exhibit "B)", Fire Safety and Environmental Review Comments (Exhibit "C").

"8. The following changes were made in this lease prior to its execution:

Paragraphs 2 and 5 of this Standard Form 2 have been deleted.
Paragraphs 9 through 20 have been added, prior to lease execution.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names of the date first above written.

LESSOR: 611 WEST SIXTH STREET ASSOCIATES, LLC. A CALIFORNIA LIMITED LIABILITY COMPANY AND C.H. REALTY, LLC. A CALIFORNIA LIMITED LIABILITY COMPANY

BY _____

BY _____

IN PRESENCE OF

(b) (6)

Signature

611 W. Sixth Street
Address

UNITED STATES OF AMERICA, General Services Administration, Public Buildings Service

(b) (6)

B

CONTRACTING OFFICER, GSA, PBS, RED

SHEET NO. 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-01516

"9. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the day which the space is certified by the Government as complete and ready for occupancy under lease number GS-09B-01516, through the following fifteen (15) years, ten (10) years firm.

"10. Pursuant to Paragraph 3.13 "Adjustment for Vacant Premises", in the event the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$1.50 per net usable square foot per annum for operating."

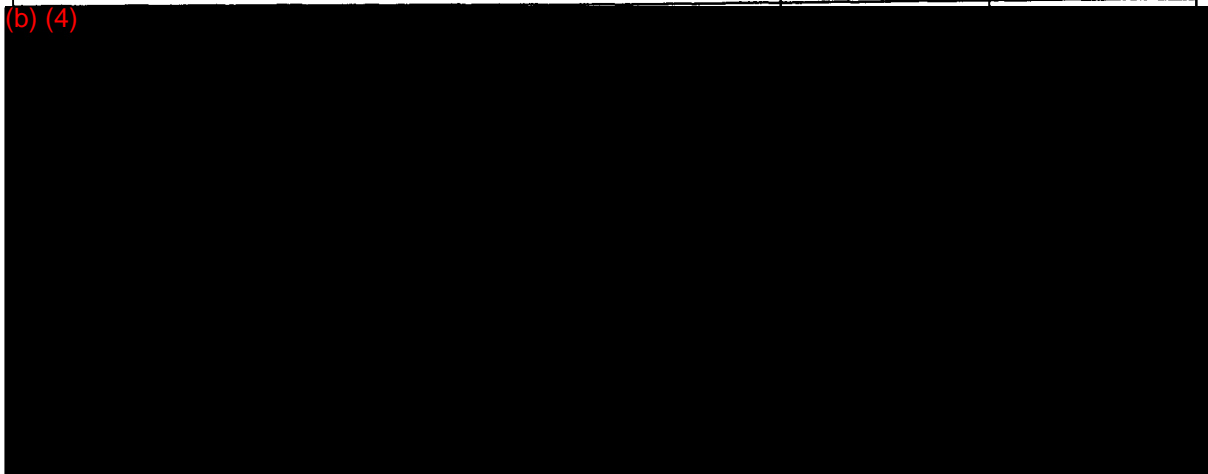
"11. Pursuant to Paragraph 7.3, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air -conditioning (HVAC) at any time beyond normal service hours 7:00 a.m. to 6:00 p.m., Monday through Friday, except Federal holidays) at an hourly rate of \$98.33 per hour. The Lessor must submit a properly authorized and certified invoice referencing the address of the office and the lease number to the GSA Field Office Manager at 312 N. Spring Street, Suite 1020, Los Angeles, California 90012."

"12. Pursuant to Paragraph 3.4, "Tax Adjustment", for the purpose of tax escalation, the Government occupies 22,093 net rentable square feet in a building with a total of 715,462 rentable square feet which equals 3.09% of the building being occupied by the Government." (To be completed after physical space measurement)

"13. At the request of the Government, the Lessor shall provide all labor, material and equipment to install the Tenant Improvements ad defined in Paragraph 1, "Unit Costs", and the Special Requirements (Section 9.0) and to maintain the materials and equipment in accordance with the Lease Agreement GS-09B-01516. The following unit costs have been negotiated and will remain in effect through the first year of the lease term."

TENANT IMPROVEMENT ITEM	QUANTITY	UNIT COST
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(b) (4)



(b) (6)

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GOV'T INITIAL

SHEET NO. 2 ATTACHED TO AND FORMING A PART OF LEASE GS-09B-01516

“14. Pursuant to Paragraph 1.10 “Building Shell Requirements/ Paragraph 1.10 “Tenant Improvements”, the following negotiated amounts shall be debited and credited to the Lessor for build-out which exceeds or does not equal the estimated quantities established in the Solicitation For Offers 3CA0602.

ESTIMATED TOTAL TENANT IMPROVEMENT COST (SUM OF STANDARD UNIT COSTS AND SPECIAL REQUIREMENTS)	
Total Estimated Tenant Improvement Cost:	(b) (4)
T.I. Allowance to be amortized into rent:	
T.I. Allowance per u.s.f. amortized into rent:	
Amortization Rate:	8%
Firm Lease Term:	10 years
Amortization of Estimated Total Tenant Improvement Cost Per Month:	(b) (4)
Amortization of Estimated Total Tenant Improvement Cost Per Year:	

The actual quantity and final cost of the above tenant improvement items will be determined after completion of the Design and Intent Drawings and construction of the space. The final tenant improvement cost will be calculated based upon the final quantities established in the Government approved Design Intent Drawings and the substantial completion of the space.

The amount of build-out actually required will be determined by the Governments’ approved Design Intent Drawings. No deviations from these drawings will be allowed except for those changes approved **in writing by the General Service Administration Contracting Officer.**

The Lessor waives any restoration in connection with these items. Unless the Government has removed such items from the premises, the Lessor shall repair and maintain such items provided by the Lessor in accordance with this Lease Agreement, GS-09B-01516. If, after the lease term or any extensions, or succeeding lease term, the Government elects to abandon any items in place, title shall pass to the Lessor.

“15. Pursuant to Paragraph 1.7 “Occupancy Date”, Lessor shall have 150 calendar days from the date of receipt of Government approved layout drawings to complete build-out of space and have said ready for occupancy. Any delays for reasons beyond Lessor’s control or any subsequent changes, modifications, alterations or additions to the final

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(b) (6)

SHEET NO. 3 ATTACHED TO AND FORMING A PART OF LEASE GS-09B-01516

approved layout plans by the Government or any unreasonable delays caused by the City of Los Angeles, County or State officials or agents which delays Lessor in its preparation of working drawing, engineering reports, issuance of necessary permits and build-out of the premises shall reasonably extend the 150 days time period for Lessor to build-out the space. All items specified in the Solicitation For Offers No 3CA0602 which includes Amendment 1, and as delineated on the Government approved final layout plans shall be provided by Lessor. Lessor shall submit to the Government a current occupancy permit at the space acceptance."

"16. Pursuant to Paragraph 3.6, "Operating Costs", the base rate for purposes of operating cost escalation is established at (b) (4) per rentable square feet per annum for the rentable square feet under lease."

"17. In accordance with GSA Form 3517, General Clauses, Paragraph 21, upon completion of the space, a physical measurement will be taken as part of the acceptance inspection. The Lease will be supplemented to reflect actual square footage, and effective date of the lease for term and payment purposes.

"18. Any items to be completed or corrected that have been identified at the acceptance of the space, which do not affect beneficial occupancy, shall be completed by the Lessor within thirty (30) days of acceptance."

"19. The IWS/LAN specifications are for **information only**. Upon, award, the Smith Group, an engineering subcontractor, for the Social Security Administration, will contact the awardee. Once a furniture plan is negotiated, specific IWS/LAN cabling and electrical specifications and drawings will be provided for submission of cost proposal and subsequent Supplemental Lease Agreement."

"20. The Safety and Environmental Management Branch has requested space plans, architectural, mechanical and fire protection drawings for GSA review and approval as per the attached Exhibit "C" in conjunction with the layout drawings marked Exhibits "A" and "B".

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(b) (6)